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DRAFT REPORT

Addendum

Rapporteur: Mr. Juichi TAKAHARA (Japan)

PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 2000-2001
(ITEM 4 (b))

Part one (i). Foreword and introduction

1. At its 12th and 13th meetings, on 14 June 1989, the Committee considered the report of the Secretary-General on the proposed programme budget for the biennium 2000-2001, the second biennial programme budget within the medium-term plan for the period 1998-2001.

2. The representative of the Secretary-General introduced the foreword and introduction to the proposed programme budget (A/54/6 (Part one) (i)) and responded to queries raised during the Committee's consideration of the document.

3. The level of resources proposed by the Secretary-General, at $2,535.6 million at 1998-1999 rates, represented an increase over 1998-1999 levels of $5.7 million, or 0.2 per cent, as well as a net increase of 61 posts. It was also lower than the budget outline figure of $2,545 million decided upon by the General Assembly. It was explained to the Committee that this proposal for the biennium 2000-2001 built on gains in productivity and effectiveness achieved in 1998-1999 through the implementation of the structural reform initiated in 1997. It was also explained that the forthcoming biennium would allow a consolidation of those gains as tasks are undertaken with greater effectiveness while applying the benefits of past and ongoing investments in staff training and technology.

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4. The Committee was informed that the proposed level of resources represented efforts to ensure the full, efficient and effective implementation of the objectives and mandates set by Member States. The Committee was further informed that any further cuts would seriously compromise the ability of the Organization to deliver the services that Member States expected.

5. The Committee was informed that the proposed programme budget was guided by two main considerations, the medium-term plan for the period 1998-2001, as revised by the General Assembly at its fifty-third session (A/53/6/Rev.1), and the programme budget outline for 2000-2001, as adopted by the General Assembly at its fifty-third session (see resolution 53/206 of 18 December 1998). The Committee was further informed that the distribution of resources in the proposed programme budget responded to the priority areas as determined by the General Assembly in its resolution 53/206. Consequently, for each of the priority areas, increases in expenditure had been included in the Secretary-General's proposals. The Committee was informed that the proposed growth in those areas was made possible as a result of administrative cost-limitation and reduction efforts in the common services areas, including both the Department of Management and the Department of General Assembly Affairs and Conference Services.

6. Increases were also proposed in the areas of internal oversight and capital expenditures. Other significant aspects of the budget proposals included a 10.1 per cent increase in resources for staff training, and requirements totalling $3.0 million for the final implementation phase of the Integrated Management Information System (IMIS). With regard to the Development Account, the Committee was informed that maintenance at the 1998-1999 level was being proposed pending a General Assembly decision on the operating arrangements for the Account.

7. The Committee considered the proposed programme budget in accordance with its mandate. In that connection, it focused on: (a) the adequacy of the link between the subprogrammes of the medium-term plan and the programmatic content of the proposed programme budget; (b) the assurance that all other activities that had been proposed for inclusion in the budget had been mandated by the legislative bodies; (c) a proposal to remove elements that were considered to be marginal, ineffective or in need of reformulation; and (d) the proper identification of expected accomplishments for the biennium.

Discussion

8. Satisfaction was expressed with the format and timeliness of the budget documents and with the efforts of the Secretary-General to formulate the expected accomplishments of individual programmes, but it was also regretted that this had not been done in all cases.

9. It was recalled that the General Assembly had stressed that more emphasis should be placed in future programme performance reports on qualitative analysis to reflect achievements in implementing programme activities. The view was expressed that the proposed programme narratives were a good first step towards providing a basis for this. Nevertheless, the view was also expressed that such

qualitative analysis would require an assessment of the progress made towards achieving expected accomplishments and full implementation of mandates during the biennium. A disparity was observed in the specificity of expected accomplishments and in how progress towards them would be gauged. The view was expressed that while there were often difficulties involved and while for certain programmes assessment could not be precise, it was necessary to provide a basis for the qualitative analysis sought by the General Assembly. The view was expressed that the Secretariat should therefore continue to ensure that in future programme budgets objectives and expected accomplishments were as precise, specific and measurable as possible. It was noted that this was the first time that proposals regarding expected accomplishments were included in the budget. In this regard, the view was expressed that the General Assembly should evaluate the conformity of the expected accomplishments with the objectives established in programmes and subprogrammes. Moreover, the view was expressed that such an evaluation should also study the feasibility of formulating expected accomplishments for all programmes, given the nature of the activities carried out under those programmes, and should include proposals in that regard whenever appropriate.

10. It was recalled that the General Assembly had not taken any decision regarding the concept of results-based budgeting and, in that regard, concern was expressed that some initiatives had been taken by the Secretariat to include in the proposed programme budget some concepts and proposals on results-based budgeting.

11. The view was expressed that the efforts of the Secretary-General to address gender-mainstreaming issues should be commended. The view was also expressed that further implementation was required to achieve the goals in this area.

12. With regard to the overall level of resources, concern was expressed about whether the proposed programme budget would be sufficient for full implementation of the objectives and mandates of the Organization. Particular concern was expressed at the reduction in the interpretation and translation areas of conference services. Moreover, it was observed that a clear link between resources and priorities had not been established in every case. On the other hand, it was also observed that priority areas had indeed been appropriately reflected in the budget proposals. Regret was expressed that the overall level of resources was less than the budget outline. Concern was expressed regarding the impact any future reduction in resources could have. Concern was also expressed regarding the distribution of reductions between the various sections, and whether a number of sections had not been disproportionately affected. In particular, the concerns expressed related to section 2, General Assembly affairs and conference services; section 3, Political affairs; and section 4, Disarmament.

13. The view was expressed that the budget outline was an indicative planning figure that did not represent a ceiling or a floor for the level of the Secretary-General's proposed programme budget. The view was expressed that the Secretary-General's assurance that the proposed programme budget would enable the Secretariat to implement the objectives and mandates set by Member States in a comprehensive, efficient and effective way should be noted, although the view was also expressed that the Secretary-General had made such assurances before.

Moreover, the view was expressed that the proposed programme budget had been formulated in accordance with priority areas set by the General Assembly. Nevertheless, concern was also expressed that the distribution of resources among programmes did not fully reflect priorities approved by the General Assembly.

14. The view was expressed that every effort should be made to gain the approval of as many Member States as possible in formulating the programme budget, and that this must be a dynamic process that responds in a flexible manner to changes in the international community. The importance was underlined of reviewing the activities of the Organization with a view to prioritizing them better and directing more resources to the most necessary activities, thereby striving for maximum efficiency. In this regard, the view was expressed that the proposed programme budget could be further reduced by maximizing economies and absorbing additional budgetary requirements to the maximum extent without adversely affecting the role that the United Nations must play in the world.

15. It was emphasized that Member States should provide adequate resources for the full implementation of all mandated programmes and activities.

16. Concern was expressed about whether the funds proposed for IMIS represented the final implementation phase.

17. Questions were raised concerning the basis for a net increase of 61 posts in the context of the reform process. Concerns were expressed regarding the levels of new posts, and the "top-heaviness" in the middle and higher echelons of the staffing table that would result from their establishment. Questions were also raised regarding the level and fluctuations in the vacancy rates. It was felt that these questions needed to be fully addressed.

18. It was noted with concern that the proposed programme budget was significantly lower than the budget outline figure approved by the General Assembly in its resolution 53/206. In that regard, the difficulties faced during the adoption of the resolution were recalled, as well as the political sensitivity involved. The view was expressed that the reduction in the overall level of the budget in relation to the budget outline was not justified.

19. The view was expressed that, once the level of resources that Member States would provide to the Organization had been agreed to, Member States had the obligation under Article 17 of the Charter to provide the financial resources in full, on time and without conditions, so that the Organization can carry out fully the mandates entrusted to it.

20. It was observed that, since the General Assembly's consideration of the Secretary-General's report on the modalities of the Development Account had not yet been completed, the Secretary-General was not in a position to include programmatic details of activities to be implemented under the Development Account in the current proposed programme budget. The view was expressed that the Secretary-General should have at least provided preliminary information relating to the initiatives in each budget section with regard to identifying gains and initiatives to improve productivity and enhance the quality of programme performance. After all, in the budget outline, the Secretary-General

had indicated that economies in the order of $40 million would be identified. It was also reiterated that efficiency measures should not imply a reduction or ceilings for programme managers.

21. Concern was expressed about the inclusion of some recommendations of oversight bodies that had not yet been approved by the General Assembly. In this regard, the view was expressed that only those recommendations approved by the General Assembly should be included in the budget proposals.

Conclusions and recommendations

22. The Committee expressed its appreciation for the improved format and timely submission of the proposed programme budget in all official languages.

23. The Committee noted the Secretary-General's efforts to meet the new requirements of the revised Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation.

24. The Committee noted with concern that not all sections of the proposed programme budget had been prepared on the basis of the standard format, in accordance with the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, as well as with relevant resolutions adopted by the General Assembly, and recommended that all sections of future proposed programme budgets be presented in the same standard format, in accordance with the Regulations and Rules and relevant resolutions.

25. With respect to the general level of resources, the Committee noted that this was lower than indicated in the proposed budget outline.

26. The Committee noted a trend towards an increasing use of extrabudgetary funds for activities that should be funded under the regular budget.

27. The Committee stressed that all Member States should pay their assessed contributions in full, on time and without imposing conditions, to avoid the financial difficulties being experienced by the Organization.

28. Concern was expressed by the Committee regarding the structure of the staff pyramid, where an increase in the number of middle and higher echelon posts was detected, while the number of posts at the entry level was decreasing. Moreover, the Committee noted the real fluctuations in vacancy rates and stressed the need to specifically address this issue.

29. With regard to paragraph 43 of the foreword and introduction, the Committee emphasized that the efficiency measures should not affect the full implementation of all mandated programmes and activities. Moreover, such measures should be in accordance with General Assembly resolutions and the regulations and rules of the Organization.

30. The Committee recommended that the General Assembly adopt the foreword and introduction of the proposed programme budget for the biennium 2000-2001, subject to the following modifications:

(a) In the first sentence of paragraph 64, the words "a sufficient" should be replaced with "the best";

(b) In the second sentence of paragraph 187, the phrase "evaluates the relevance, efficiency and effectiveness of the Organization's activities and" should be deleted.